REMARKS

In the August 8, 2006 Office Action, claims 2, 8, 10, 14-17 and 19 stand rejected in view of prior art, while claims 12 and 13 were indicated as containing allowable subject matter. Claim 15 was also rejected for failing to indicate and claim particularly and distinctly the subject matter that Applicants regard as the invention. Claims 4, 6 and 9 are withdrawn from further consideration. No other objections or rejections were made in the Office Action.

Status of Claims and Amendments

In response to the August 8, 2006 Office Action, none of the claims are being amended by the current Amendment except for claim 15, which was amended to overcome the indefiniteness rejection. Applicants wish to thank the Examiner for the indication of allowable subject matter and the thorough examination of this application. Thus, claims 2, 4, 6, 8-10, 12-17 and 19 are pending, with claims 10 and 19 being the only independent claims. Reexamination and reconsideration of the pending claims are respectfully requested in view of above amendments and the following comments.

Claim Rejections - 35 U.S.C. §112

In page 2 of the Office Action, claim 15 was rejected under 35 U.S.C. §112, second paragraph. In response, Applicants have amended claim 15 to clarify that the driven wheel drive controller recited in claim 10 is further defined in claim 15. Applicants believe that claim 15 now complies with 35 U.S.C. §112, second paragraph. Withdrawal of the rejection is respectfully requested.

Rejections - 35 U.S.C. § 103

In pages 2 to 6 of the Office Action, claims 2, 8, 10, 14-17 and 19 stand rejected under 35 U.S.C. §103(a). More specifically, claims 8, 10, 14 and 19 stand rejected as being unpatentable over U.S. Patent No. 6,622,804 to Schmitz et al. (hereinafter "Schmitz et al.

patent") in view of U.S. Patent No. 6,717,281 to Brandon et al. (hereinafter "Brandon et al. patent") and further in view of U.S. Patent No. 6,019,183 to Shimasaki et al. (hereinafter "Shimasaki et al. patent"). Claims 15-17 stand rejected as being unpatentable over the Schmitz et al. patent in view of the Brandon et al. patent, further in view of the Shimasaki et al. patent, and further in view of U.S. Patent No. 6,449,552 to Ohba et al. (hereinafter "Ohba et al. patent"). In response, Applicants respectfully traverse the rejection for the following reasons.

More specifically, Applicants respectfully assert it would *not* have been obvious to one skilled in the art to combine the teachings of the Schmitz et al. patent, the Brandon et al. patent and the Shimasaki et al. patent as asserted in the Office Action. The Shimasaki et al. patent discloses a hybrid vehicle in which the output of the engine 1 is assisted by the power from the electric motor 2. Therefore, the regulator/inverter circuit 21 of the Shimasaki et al. patent controls the power supply to the electric motor 2 that assists the engine 1. The electric motor 2 can be engaged or disengaged form the engine 1 by controlling the electric motor clutch 12. Accordingly, in the Shimasaki et al. patent, the electric motor 2 is *not* used to drive the subordinate drive wheels when the vehicle is operating in the four wheel drive mode as in the Schmitz et al. patent or as in the present invention. In other words, the drive system disclosed in the Shimasaki et al. patent is *completely different* from the drive system in the Schmitz et al. patent. Thus, Applicants respectfully assert that one of ordinary skill in the art would *not* consider it obvious to utilize the inverter control disclosed in the Shimasaki et al. patent to control the inverters of the Schmitz et al. patent.

It is well settled in U.S. patent law that the mere fact that the prior art can be modified does *not* make the modification obvious, unless the prior art *suggests* the desirability of the modification. Accordingly, the prior art of record lacks any suggestion or expectation of

success for combining the patents to create the Applicants' unique arrangement of the drive apparatus as recited in independent claims 10 and 19.

Moreover, Applicants believe that dependent claims 2, 8 and 14-17 are also allowable over the prior art of record in that they depend from independent claim 10, and therefore are allowable for the reasons stated above. Thus, Applicants believe that since the prior art of record does not disclose or suggest the invention as set forth in independent claim 10, the prior art of record also fails to disclose or suggest the inventions as set forth in the dependent claims.

Also, dependent claims 2, 8 and 14-17 are further allowable because they include additional limitations.

For example, the limitations recited in claim 14 are clearly *not* disclosed or suggested by the prior art of record. Claim 14 recites the driven wheel drive controller is further configured to stop supply of drive currents from the first and second inverters, and to *allow flow of regenerative electric currents* when a vehicle speed is equal to or greater than a prescribed vehicle speed. The Office Action apparently asserts that the Shimasaki et al. patent discloses the above limitations recited in claim 14. However, in the Shimasaki et al. patent, since the electric motor clutch 12 is *disengaged* when the vehicle speed is greater than a predetermined vehicle speed V0 (step 33 of Figure 4, and step S64 of Figure 5), the regenerative electric current will *not* be generated in the electric motor 2 of the Shimasaki et al. patent. Accordingly, Applicants believe the limitations recited in claim 14 are not disclosed or suggested by the prior art of record, whether taken singularly or in combination.

Applicants respectfully request that the rejections be withdrawn in view of the above comments.

Appl. No. 10/816,892 Amendment dated October 23, 2006 Reply to Office Action of August 8, 2006

Allowable Subject Matter

In page 6 of the Office Action, claims 12 and 13 were indicated as containing

allowable subject matter. Applicants wish to thank the Examiner for this indication of

allowable subject matter and the thorough examination of this application. As discussed

above, Applicants believe claim 10 is allowable over the prior art of record. Thus, Applicants

believe that since the prior art of record does not disclose or suggest the invention as set forth

in independent claim 10, the prior art of record also fails to disclose or suggest the inventions

as set forth in dependent claims 12 and 13. Also, dependent claims 12 and 13 are further

allowable because they include additional limitations that are indicated as containing

allowable subject matter.

In view of the foregoing amendment and comments, Applicants respectfully assert

that claims 2, 4, 6, 8-10, 12-17 and 19 are in condition for allowance. Reexamination and

reconsideration of the pending claims are respectfully requested.

Respectfully submitted,

David L. Tarnoff

Reg. No. 32,383

GLOBAL IP COUNSELORS, LLP 1233 Twentieth Street, NW, Suite 700 Washington, DC 20036

(202)-293-0444

Dated:

G:\10-OCT06-NT\NS-US045036_Amendment2.doc

Page 10 of 10